19 March 1959

~~Article for Support Bulletin~~

~~Internal Notice~~

on

New Emergency Travel Coverage

25X1A

Due to the large number of claims, the █████████████ Underwriters are cancelling the contract with GEHA for the Emergency Travel Plan, effective 31 March 1959. Certificates in force will be continued to expiration date of those certificates. No renewals will be accepted beyond 31 March 1959.

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Beginning 1 April 1959, █████████████████████, through the █████ 25X1A
█████████████████████ has agreed to underwrite a new Emergency Travel Plan. Application forms for the new plan, which is identical with the present one, except that it does not provide for family rate coverage, will be available in the near future.

Employees whose Emergency Travel insurance policies were effective prior to 1 April 1959 under the old plan will be required to complete a new application and pay the new rate when their next premium is due.

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The ██████ plan will be a new policy and is not to be considered as a renewal of coverage under the former plan. We wish to caution purchasers of the new plan that the four month waiting period and the warranty having to do with the diagnosis of cancer will apply as of the date of application of the new plan.

The limitation on persons over seventy will apply. Employees can apply under the new plan for named persons age sixty-nine, but coverage will not be accepted on persons who have already attained the age of seventy. Coverage will be renewed beyond age seventy for persons who are insured prior to their seventieth birthday. Regardless of the fact that a named person was under seventy when coverage was obtained under the old contract, the "under seventy" limitation will apply, when application is completed under the new plan.

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The rates under the █████████████ plan are lower than the █████████████████████████████ plan, as shown below:

Age of Named Person	Premium	Each Additional Named Person
0-49	$32.50	$13.00
50-64	40.00	21.00
65-69	50.00	31.00

SALARY RETENTION INCIDENT TO REDUCTION IN GRADE

During 1958 the Congress enacted a new Salary Retention Act under which personnel who are reduced in grade may be permitted to hold for two years their full salaries earned just prior to demotion, unless the reductions exceed three grades. When a demotion exceeds three grades the amount of the salary to be retained is governed by a formula contained in the law. These salary retention provisions are not applicable when demotions are

    (1) due to personal cause,

    (2) at the employee's request, or

    (3) effected as a result of force reduction caused by lack of funds or curtailment of work.

The Act further provides that the new salary retention benefits may be granted only to personnel who have served for two continuous years immediately prior to demotion in the same department or agency and in the same or higher grades, and whose performance during the period of two years was satisfactory or better than satisfactory.

The provisions of the Salary Retention Act are not mandatory upon the Organization; however, salary retention principles set forth in the Act have been adopted by the Organization insofar as these principles are applicable to its salary administration policies and procedures.

The new salary retention policy aims to provide a financial cushion for employees who are reduced in grade through no fault of

their own. In the Organization it is anticipated that this policy will generally be applicable to

    (1) the career reorientation of employees, when grade demotion incident to such reorientation is the appropriate step, and

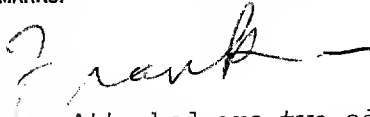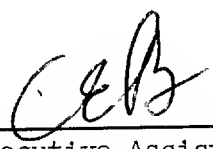   (2) the realignment of assignments as a result of changes in mission, function or organization.

25X1A   Distribution:
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25X1A   OD/Pers/████████ sm (20 Mar 59)

25X1A

TRANSMITTAL SLIP	DATE 23 March 1959
TO: ███████████	

ROOM NO. 1414	BUILDING "J"

REMARKS:

Frank —

    Attached are two additional articles for the next issue of the Support Bulletin for your approval.

CEB

FROM: Executive Assistant to the DD/S

ROOM NO. 123	BUILDING East	EXTENSION 2226

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)